



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF STATE LANDS AND FORESTRY

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Scott Hirschi
Division Director

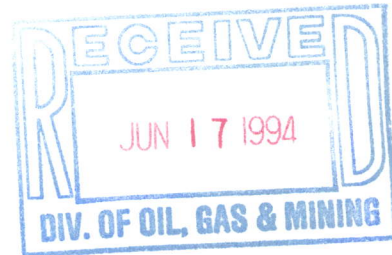
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S/015/066

June 16, 1994

CERTIFIED MAIL NO. P 051 448 273

Stephen Powell
Chimney Rock Resources Corp.
P.O. Box 602
Orangeville, UT 84537



Dear Mr. Powell:

RE: ML 45089 Building Stone/Limestone
S/015/066 Emery County

On May 13, 1994, the division requested that within 30 days the Lessee furnish additional surety or collateral bonding in the amount of \$5000 per acre of surface disturbance for your proposed or actual mining operations under state mineral lease ML 45089. Lessee has failed to comply with the division's request and is in breach of Article XII of the lease agreement.

Lessee is hereby notified pursuant to Article XIX of the lease agreement that ML 45089 will terminate in 30 days from date of this letter. All rental payments shall be forfeited to the state.

The division demands that upon termination of ML 45089 you 1) immediately cease all mining of the leased lands, 2) reclaim all surface disturbances to the satisfaction of the division; and, 3) submit all remaining royalty payment for leased substances which have been removed from the property.

Lessee may remedy the violation of Article XII and prevent the termination of this lease by furnishing the requested bond prior to 30 days from the date of this letter.

Sincerely,

JOHN T. BLAKE
MINERAL RESOURCES SPECIALIST

JTB/tdw

cc: Wayne Hedberg

